



AARP Testimony in Support of Lowering Prescription Drug Costs SF 2744 Omnibus Commerce Bill

Good afternoon, Chair Klein and members of the committee. My name is Mary Jo George, and I am the Advocacy Director for AARP Minnesota. On behalf of our nearly 620,000 members statewide, AARP appreciates the opportunity to testify in support of Senate File 2744, which establishes a **drug affordability review board and prohibits price gouging by drug manufacturers** (Art 2 Sec 12-15; Sec 16-22).

We want to thank Senator Morrison for bringing this important bill forward. Lowering the cost of Prescription drugs is a high priority for AARP. High drug costs hurt everyone, not only those who rely on prescription drugs for their health but all of us who are paying higher premiums and out-of-pocket costs, as well as the taxpayers who help fund our public programs.

Americans have seen their prescription drug prices skyrocket. And they are sick and tired of paying the highest drug prices in the world for critically needed medication. About 30 years ago, the public was outraged over a drug costing less than \$10,000 annually. We now have drugs approaching \$1 million per year.

A recent report by the U.S. Department of Health and Human Services noted that list prices on more than 1,200 prescription drugs rose faster than inflation, rising an average of 31.6%. AARP's RX Price Watch report found that in 2020, prices for 180 widely used specialty drugs increased more than three and a half times faster than general inflation.

So, it's hardly surprising that we hear stories from our members facing serious health and financial consequences due to high prescription drugs. And the reality is that we're often talking about costs that patients will face every year for the rest of their lives.

Under this bill, the Board can review drug prices that pose an affordability challenge and set upper payment limits that apply throughout the healthcare system to protect consumers, state and local governments, providers, and all stakeholders. Prohibiting price gouging will protect consumers from sudden and unreasonable spikes in generic drug prices.

Efforts like these will ensure that consumers can access and afford the medications they need and could save millions of dollars for patients, taxpayers, and our healthcare system. On behalf of our members and countless others, we urge lawmakers to pass this bill to rein in the high costs of drug prices. Thank you.